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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

JUL 27 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of:

Amendment of the Part 69 Allocation
of General Support Facility Costs

)
)
) CC Docket No. 92-222
)

the rates for those services that are most exposed to emerging competition.² USTA disagrees that it is a basis for reconsideration. Correcting the GSF misallocations to common-line categories can enable access services to be more efficiently priced now that costs will be more economically and rationally allocated. The modified rule also eliminates part of the artificial bias keeping the LECs at a severe pricing disadvantage for special access services. It will stimulate fairer competition and additional usage of the access network. As such, it will facilitate the implementation of a more balanced special access and switched transport expanded interconnection framework which the Commission has found to be in the public interest.

Second, during the pendency of this proceeding, MFS had filed a similar petition seeking deferral of any Commission action until the Common Carrier Bureau completes its inquiry into the reasonableness of LEC special access volume and term discounts.³ MFS argued that the Commission should only adopt the rule change if it determines that the change more closely reflects the operation of market forces in a fully competitive market than does the present rule.

In the GSF Order, the Commission denied the March 23, 1993 MFS petition and ruled that the modified Section 69.307(b) should become effective on July 1, 1993. The

² MFS at 2.

³ See MFS's Petition to hold proceeding in abeyance, CC Dockets 91-141 and 92-222, filed March 23, 1993. Four LECs had opposed the MFS petition.

Commission should likewise reject MFS' petition herein.⁴ MFS' motive for reconsideration of this same issue is obvious: it wants significantly less of the rate reduction resulting from GSF reallocation to be taken from DS1 and DS3 rates than from other special access services. Its attempt to keep the LECs' DS1 and DS3 rates as high as possible, and for as long as possible, does not represent a balanced cost recovery mechanism in a competitive market.

Third, MFS argued that the LECs enjoy a substantial and unwarranted advantage today in the special access market through their ability to offer unrestrained volume and term discounts.⁵ Nothing is further from the truth. Even as it encourages competitive access providers to collocate and interconnect with LEC central office facilities, the Commission has not yet granted the requisite pricing flexibility for the LECs to compete fully and fairly in the access market. Cost-based special access pricing requires fair allocation of the underlying costs. This does not mean that the LECs should be denied any flexibility to offer discounts to customers.

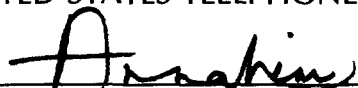
⁴ MFS raised this issue in two separate docketed proceedings, CC Docket 91-141 and CC Docket 92-222. The Commission has twice denied it. MFS should not be permitted to raise the exact same issue once again in the guise of a petition for reconsideration. See 47 C.F.R. § 1.429.

⁵ MFS at 4.

For the foregoing reasons, USTA respectfully requests that the petition for reconsideration herein be denied.

Respectfully submitted,

UNITED STATES TELEPHONE ASSOCIATION

BY 

Martin T. McCue
Vice President & General Counsel

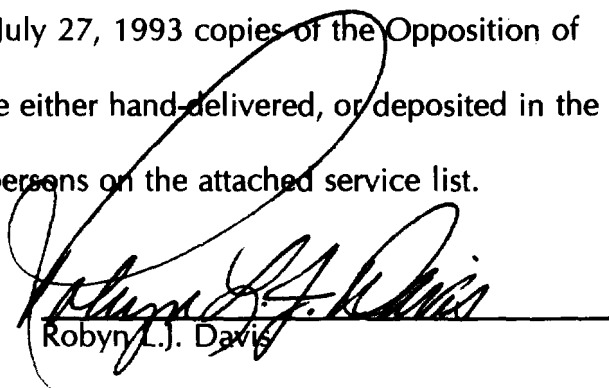
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CERTIFICATE OF SERVICE

I, Robyn L.J. Davis, do certify that on July 27, 1993 copies of the Opposition of the United States Telephone Association were either hand-delivered, or deposited in the U.S. Mail, first-class, postage prepaid to the persons on the attached service list.



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